1951

1950 **File No.** 760/48 (1)-V

P.W DEPARTMENT

B CLASS

E BRANCH (1)

Subject:— Post War Reconstruction
Five year plan
Appointment of financial
adviser of —

V

B [K] - 1.50

E.B (1)

File No. 760/48 (1) — V

Sta. Sectt. Slip 24-A

G.R., G.D., No. 2408, dated 22-6-22.]

Correspondence

DOCKET SHEET

Subject :—

File No. 760/48 (1) – V

P. W DEPT.

E BRANCH. (1)

References :—

Copies Supplied from the Original file B [M]

Date.	To whom sent.	Notes and instructions.

A meeting was held on Tuesday, the 7th September, 1948, to consider arrangements to be made for the proper accounting and audit of expenditure in connection with Major Projects. The following officers were present :-

× × × × ×

The Auditor General explained at the outset that the preparation of bills, their payments and the proper accountig of them is primarily the responsibility of the Engineer. Normally the Auditor General's organisation undertakes the pre-audit of salary bills, T.A. Bills and contingent bills, . The requirements of audit in these case s are comparatively simple and straight forward such as existence of sanctions, the rates at which salaries and allowane are payable, and the period for which payable, and it is possible for audit to satisfy itself that all these requirements are fully satisfied before it passes a bill. But even here, with the immense increase of work the Auditor General has been contemplating for several years the transfe er of payment to regular treasury officers and to introduce post audit. Pre-audit forms only a very small fraction of the entire sphere of audit. But the position is radically difference where bills for works are concerned, For a bill of this nature to be acceptable to Audit in all respects it should be covered by a properly sanctioned estimate, allotment of funds, properly executed agreement, properly recorded measurements, etc.etc. It is well known that in practice many of the work bills are not complete in all these respects, and if audit was to perform its function, as it should that is, pass only those bills and claims which are fully supported in respect of santion, etc. It will have to refuse payment in most of the bills, It is equally well known that the Engineer ca cannot agree to bills being held up on these 'technical' grounds, He rightly claims that he is responsible for the execution of work and, in the interest of smooth progress

of the work, he must pay the bills, promptly taking on himself the responsibility for making payments. This is what happens in the normal arrangements for P.W.D. payments where the Executive Engineer, assisted by a Divisional Accountant, takes upon himself the full and final responxxxxxxxx bilitigs for the payment.

3. It was necessary to explain the position in some detail as the expression pre-audit was rather loosely used and, as from what he had heard from the Accountant General, Central Revenues, the Engineers are under the misapprehension that every payment made by a so called pre-audit Office' is a payment free from all blemish in the matter of want of sanction etc. etc. In fact this is not so, and the pre-audit system, as it exists at present, has only meant that the Audit Officer has taken upon himself the Treasury Officer's duties of making payment of xx bills, even when he is fully xx aware that the bills will not be admissible in audit. He has in fact placed under objection (Rs. 96 lakhs) bills paid' (not 'passed') by xxxxxx himself. This is a very unsatisfactory position. The system now xxx followed in Madhopur is not really pre-audit but only gives a false sense of rectitude by making the irregularities in the bills. By passing such bills audit is unnecessarily taking on its shoulders the sins of commissions and commissions of the Engineers.

4. What is obviously required in projects of large magnitude and where the Engineers are anxious that irregularities should be reduced to a minimum is what the Chief Engineers in charge of big projects should have a Financial Adviser-cum Accounts Officer or separate qualified Accounts Officer if the volume of work justifieds it. Their functions will be to see that all the provisions of the P.W.A. Code Rules are properly observed and that the accounts are xxxxxxxx correctly maintained. The Accounts

Officer will assist the Executives in the maintenance of the Accounts, but the final responsibility will rest with the P. W. D. Officers. The Accounts Officer will have direct access to the Financial Adviser and will be responsible for all the internal financial and accounts check. This internal check is apart from the statutory audit which the Auditor General will excercise with his own independent staff. The Auditor General is prepared to locate his audit office at the Headquarters of the Chief & Officer so that audit may be prompt and more extensive than in ordinary cases. In Auditor General's view this set up would meet all the requirements of efficient financial control, while placing the responsibility for the execution of a project, incurring expenditure and maintaining all the relevant initial accounts under the rules rendering them to audit and accepting financial responsibilities squarely on the proper shoulders, namely those of the Engineers.

5. Rai Bahadur Mathur produced a memorandum explaining the system of accounting and audit that was in force in the case of Delhi Experiments and another memorandum containing his new proposals regarding " pre-audit" . Auditor General observed that the predecure that was in existence in the case of Delhi Experiments was gene-rally on thelines now recommended by him viz. placing the responsibilities on the spending Departments duly assisted by internal accounting experts. Mr. Ram Gopal raised the issue that the proposal of the Auditor General would involve extra expenditure. Auditor General's reply was that a scheme that is acceptable on grounds of efficiency should not be turned down purely on considerations of cost. When several crores of rupees are being spent on these schemes it would be false economy to stint expenditure on proper financial control, correct accounting and satisfactory audit by the Auditor General, He held strongly that it was entirely o incorrect to make the Audit

Officer also the pay-master and Accountants and was dengerous. He could not agree to any further extension of the system. He hoped that the Ministry of Finance would view these proposals from the point of view of safe-guarding the interest of the tax-payer by watching that several crores do not go down the drain than by saving a few lakhs by cutting down staff for accounts and audit.

6. The Auditor General then dealt with the remarks inthe Chief Engineer's note concerning the deterioration of the standard of P.W. Accounts. He said that falling off in efficiency was not peculiar to the Accounts Organisation, but was a universal malady. The Divisional Accounts, has to some extend, to depend on his staff who are recruited by the Executive Engineers, and it is admitted that the present day clerical staff are of a very poor calibre. Similarly the Divisional Accounts functions become very difficult if the Executive Engineer is not conversant with rules and regulations and does not co-operate with the Divisional Accountant. Auditor Genera, therefore, suggested that this aspect of the problem should be dealt with an a wider basis. The problems to be tackled most urgently are:-

(a) man- power.

and (b) quality of the man-power.

As far as his own department is concerned he would arrange to have a large number of Divisional Accountants recruited and trained. He suggested to the Ministry of Works Mines, and Power that a Committed be appointed of two of three officers to go into the question of their man power and the quality of the manpower that they have now on their hands. He could not lay too much emplasis on the necessity for improving the quality of the existing man-power by training etc., and for planning well in advance to recruite necessary man-power for all the projects they have in view. The Auditor General also emphasised that even the most perfect set up for finanial control and audit will be of

no use in preventing corruption or wastege if the men primarily responsible for the execution of the work, are not sound technically and otherwise. He was strongly of the opinion that the Ministry of Works, Mines and power should not undertake work beyodd the capacity of their man-power , and that it was high time that they took up a firm attitude in refusing to undertake work if they have not got the necessary qualified staff for its execution.

7. At this point Mr. Chopra raised the issue that the new proposals do not relieve the Engineers of their responsibility for accounts and that the demand of the Engineers through all these years has been that their responsibility for accounts unnecessarily interferes with their executive functions. The Auditor General's reply to this was that he was fully aware that this has been the demand of the Engineers, for Several decadds., but he could never accept the position that Engineers should be allowed to execute works without any responsibilities for the expenditure and the maintenance of the relevant accounts. No business concern would tolerate on Engineer who disclaimed financial responsibilities. An Engineer's efficiency is judge as much by the economy with which the work is executed as by the quality of the completed work. It is the spending officers business to prove that he has obtained full volume of the money spent and this is means that he has to maintainthe requisite accounts. It is, therefore, necessary that the Engineers should constantly and intimately be aware of the financial aspect of the work entrusted to them, and constantly keep in view the necessity for executing the work as economically as possible consistent with quality. The Code rules lay no more duties on the Engineer with the minimum necessary to enable him to satisfy the above requirement.

8. In view of.....

8. In view of ~~xx~~ the above considerations it was decided ~~xx~~ that in the case of the CAINC Projects there should be a Financial Advisor attached to the Ministry of Finance with a Joint Financial Adviser attached to each big project. The latter will have under them Accounts Officers who will be lent by the Auditor General. The Auditor ~~xxxxx~~ General will also have on the spot an audit office for concurrent audit under the supervision of an Accountant General.

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True extracts.

Sd/-.
24-2-50.
S.S.M.M.

A.G. 37(C).

No. WM/ 6058

Bombay , 24th February 1950

From

B. C. Dutt Esq.,
The Accountant General,
Bombay.

To

The Secretary to the Govt. of Bombay,
Finance Department, Bombay.

Subject: Financial Stock-taking of ~~xxxx~~ Post War Reconstruction Schemes.

Sir,

A reference is invited to the Government of Bombay, Reconstruction, Department, circular No. 130/47 dated 2nd September 1949 on the above subject prescribing the procedure for periodical financial review of Post-War Reconstruction Schemes by the Heads of Departments, and by the Government in Administrative and Finance Departments in accordance with the ~~xxx~~ suggestions conveyed in the undersigned's d.o. letter No. WM /1932 dated 17th August 1948. The questions relating to arrangements to be made for the ~~xxxx~~ proper accounting and audit of expenditure in connection with major projects and where and to what extent Financial~~xx~~ Officers should be associated to tender advice were considered by the Comptroller and Auditor -General in

an inter-departmental conference presided over by him in New Delhi and certain decisions were arrived at. Extracts of paras .2 to 8 of the proceedings of the Conference are enclosed for the information of Goverment. It will be seen that para .4 of the proceedings contemplates that Engineers in charge of big projects should have a Financial Adviser -cum- Acounts officer or separate qualified Accounts Officer, if the volume of work justifies it and that his or their functions would be to see that all the Provisions of P.W. Account Code rules are properly observed and that the accounts are correctly maintained. The Accounts Officers would assist the Executive in the maintenance of accounts but the final responsibility would rest with the Departmental and Administrative Officer,s. In view of the many schemes of Post War Reconstruction plan sanctioned an d contemplated by Government it is requested that the suggestions contained in the above- proceedings may kindly be considered by Government and suitable instructions issued accordingly- In this connection it may also be added that the Comptroller & Auditor - General has already been requested to sanction a deputation reserve of two Officers for association with the accounting arrangements of such projects as indicated above.

Yours faithfully,

Sd/- B.C. Dutt,
Accountant General.

No. W&C 6059 Bombay , 24th February 1950.

Copy with a copy of the above extracts forwarded to the Secretary to Govt. of Bombay, Public Works Department, for information.

Sd/-.
Accountant General.

760/48(i)-III
15784.

C.B. (II) P. W. D.

Letter from A.G., Bombay No WM/6058, dated the 24th Fe February 1950.

2 The A?G. Bombay with his letter refd. to above has forwa rded extracts, from the proceedings of the Conference held in New Delhi, re: The questions relating to arrangements to b b made for the proper accounting and audit of ~~questionxxx~~ expenditure in connection with major projects and powers of financial advosors etc. The subject matter mainly pertains to the F.D. and this letter has been addressed to that Department As far as this Department is concerned, no action is ~~x~~ called for on these papers and the same may be recorded after u.o.r. to F.D.

Thro C.B., I.B.I., I.B.II, W.B. H.B. E.I. Br. I. and D.E.(R).I & II.

~~xxIxxx

Thro. A.B.(II). CB(I). CB (II).IB(I).

IB (II) MB & WB.

3. The pages rdd, to a 'A' above were passed to C .B. (I). on 5-6-50.

Id.
17-6-50.

— do— passed based an to C.B(II) dated 6-6-50.

Id.
17-6-50.

— do— passed on to I.B. (I), dated 7-6-50.

— do— - to I.B. (II) dated 7-6-50.

— do— - to M.B.& on 12-6-50.

— do— - to W.B. on 13-6-50.

— do— - to D.S. on 14-6-50.

Id. Id. Id.
21-6-50 19-6-50. 22-6-50

760/48(I)-III

E.I. Finance Department PWR. I.

The file containing A.G's d.o. letter No. WM/ 1932 dated 17-8-1948. is not available for being put up. The orders, however, issued in G.C.,R.C.D. No. 130/47 dated 2-9-49 are on that d.o. letter. The main consideration for ordering the financial stock taking of P.W.R. Schemes in the R.C.D. circular referred to, is to ensure that no wasteful ex or unjustifiable expdre. is incurred on any of the schemes and also that all expdre. incurred from time to time is properly correlated to the progress achieved in the execution of the schemes concerned. The A.G. has now forwarded extracts of paras 2 to 8 of the proceedings of the interdepartmental conference held in New Delhi on 7th September. 1948. under the presidenship of the Comtroller and Auditor General of India, He suggests that the proceedings referred to may be considered by Govt. and suitable instructions issued accordingly. He states that the

instructions issued accordingly. He states that the Auditor General has already requested to sanction a deputation reserve of two officers for association with the accounting arrangement proposed.

2. The proposal is effect seems to be that each Executive Engineer in charge of big projects should have a Financial Adviser-cum Accounts Officer (or, separate qualified Accounts Officer, if the volume of work justifies it) to assist him in the maintenance of proper accounts; the final responsibility resting with him only

If the proposal is accepted, it is doubtful whether it is possible to find suitable hands to fill the posts involving large outlay taken up by Govt. are:

Major Irrigation.

(1) Pakrapur Weir and Canals Scheme (estimated cost 626 lakhs)

(2) Heshwa Canal (estimated Rs. 45 .16 lakhs).

(3) Gangapur Storate (" " 334 ").

(4) Ghatprabha L.B.C. Project. (" 540 ")

(5) Mahi canal Project (" " 646 ")

(6) Vir Nan (" " 250 ")

(7) Watrak Canal (" " 251 ")

and Electric Grid.

1) North Gujrat-Electric(" " 226.61")

2)South Gujrat-Electric Grid Scheme. (" " 301.74 ")

3) Jog Karnatak Scheme. (" " 419. ")

4) Baroda Electric Grid Scheme. (" " 9 ")

5) Radhanagari Hydro El. Grid. (" " 207 ")

6) Establishment of a Electric Station at Chola (" " 244.68 ").

In addition to the above construction of Roads and Buildings costing crores of rupees, the Milk Colony at Aarey and Housing for Industrial Labour have also been under execution. The Project last named and the State Transport have been handed over to Statutory Boards who will follow the accounting arrangements provided in the relevant Acts and rules.

They may therefore be left out of consideration for the purpose of the present reference. These organisations have got posts of Accounts Officer and Chief Accounts Officer respectively. All other works mentioned above barring the Milk Colony at Aarey are being executed by the P.W.D. The Milk Commr. who has an executive Engineer for carrying out the construction work has one Asstt. Milk Commr. (Accounts) and one Milk Accounts Officer. These officers , it appears are responsible for proper maintenance of the accounts relating to the Milk Colony. It does not appear that an addl. post of Accounts Oficer is necessary for the Milk Organisation.

3. The question therefore now confines to the works carried out by the P.W.D. Regarding the Electric Grid Projects it may be pointed out that the organisation has a chief Accounts Officer, who, is it seems, responsible for seeing that the accounts of all the works are maintained properly with the assistance of the divisional accounts No further officers for the same work would appear necessary unless the P.W.D. and Electrical Commr. feel the necessity and justify the same.

4. The position about various Major Irrigation Projects enumerabed in para 2 above is different. None of them seems to have a post of the status of Accounts Officer for helping the Executive to maintain accounts properly. This work is apparently being done by the Divisional Accountants. It is not clear whether the present system has proved to be a failure. Unless that is so, there would be no justificarion to attach Accounts Officer to each Executive Engineer, in charge of big projects. The P.W.D. may see these papers u.o. for remarks in the first instance.

Id. 16-3-1950. Id- 17-3-1950.

The Secy. may please see the A.G's letter and the proceedings forwarded with it at this stage.

2. I entirely agree that the Financial Advisers should be attached with the officials incharge of large projects. We have seen in several cases pertaining to the Electric Grid, Milk Colony-xx and other projects, that simple financial regulations are either not xxxxx observed or disregarded.

The question of man-power, though important, need not be a bar since if the right type of person is not available from men in service, Government-can utilise the services of capable retired men. In fact we have accepted this policy in regard to the accounting personnel in the C.S.D.

3. The views of the Auditor General are xxxxx pertinent and sound and it would not be proper for this Department, to gx grudge expdre. on Financial Adviser or Acctts. Officers. It is not necessary or even essential to have an officer for each project- thus irrigation or road projects for-a-division can be combined for the purpose. This would save a lot of corres- xxxx pondence with the Secretariat since each Financial Adviser will have to be delegated with some powers of Govt.

4. To quote only an example- correspondence is still going onxxx between the Elect. Commissioner and the A.G. about the responsibility of xxx keeping xxxx accounts for the Radhanagari project. The A.G. rightly holds the El. Commr. responsible for this. In the meanwhile when I visited Kolhapur, the accounts of this project were in a mess and the Engineer and the staff did not seem to be aware about Bombay Government accounts.

5. As regards the Milk Scheme though there is an accounts officer, I think it would be desirable to have a Financial Adviser if the xx C.S.D. desires to expand the activities and desire toxxxxxxxx construct all the sheds.

6. In regard to certain projects, only survey of are carried on while full staff hasxxxxxx been sanctioned.

(7) Though the State Transport and Housing Boards are a separate intities the Auditor General's observations still apply. It should be open to Government by amending the relevant Acts if necy. to appoint Advisers if the audit reports show the necessity of interference.

8. The P.W.D. may see the papers in the first instance

Id./-
20-3-1950.

May be referred to P.W.D. for remakks , as suggested

Id./-
22-3-1950.

U.O.R. to the P.W.D., dated 23-3-1950.

F.D. 5946/33/12181/24225

E. B. (I). Public Works Department.

The papers may in the first instance to referred u.o. to the El. Commr. with the Government of Bombay, for his remarks with reference to para. 3 of the F.D. office note daed the 16-3-1950.

Id. /- B.R.P.
10-4-1950.

Thro' C.B.(I), C.B.(II), W.B., I.B. (I) and I.B. (II).

Id./- Y.K.A.
10-4-50.

Id. /- V.B.M.
12-4-50.

Id. /- B.P.P.
10-4-40.

Id./- K.S.R.
11-4-50.

Id. Y.R.T.
17-4-50.

Id/- K.V. j(oglekar).
17-4-50.
Dey. Secy.

U.O.R. to the Elecl. Commr. with the Govt . of Bombay, dated 18-4-1950.

Below P.W.D. u.o.r. -F.D. 5946/33/12181 24225 dated 18th April 1950.---

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15

Electric Grid Offices.

The proceedings mentioned in the Accountant Generals letter of the 24th February , relate mostly to expenditure onworks. The Electric Grid Department transactions will cover not only large scale expenditure on works but also progressively large expenditure on maintenance and operation of completed works as well as collection of progressively large revenues. Subject to these remarks, I am in general agreement with the suggestions contained in the proceedings in question. In this connection, I have already addressed a D.O. letter No. 10-C/242 dated 11th April 1950. to Shri G.V. Bedekar, Secretary P.W.D. A copy of this letter is attached for facility of reference I would recommend strongly that Government be pleased to accept the suggestions contained in para 5 of my letter, and appoint the officer in question for a short period. In such a case, the concerned officer's attention should be specifically directed to these proceedings and he should be asked to keep the same inmind actively while submitting his re-commendations to Government for re-organisation of the Accounts Section of the Electric Grid Department.

Id./-P.B.A(dvani).
24-4-50.
El. Commr.

Secy. to Govt., P.W.D., Bombay.

U.O.R. No. E. 10/262, Bombay 1: 24-4-1950.
25.

a/24.4.50.

Encl: 1 letter.

D.O.No. E. 10-C/242.
Electric Grid Offices,
Foreshore Road,
Bombay 1: 11th April 1950.

Dear Bedekar,

When originally the set-up of the Accounts Section of the Electric Grid Department was considered, the Grid works were not of the magnitude they are now and are expected to be during the next few years. Likewise, during the first years, we were in the stage of planning and there was little expenditure -whether on construction or maintenance. Now was there any revenue. The Electrical Commissioner's office was accordingly organised as a Divisional office so far as disbursements and accounts are concerned. i.e., all the disbursements were done by me as is done by an Executive Engineer in the P.W.D. Since then, as you are aware, works have developed and the construction work has come up and is scattered over the whole States consequently, payments arise on account of works done and materials received in different parts of the State. The present over-centralised arrangement is entirely impossible to function as it makes for very considerable delays in payment of bills, and satisfactory check is impossible. After much discussion and correspondence, the Accountant General has now at last agreed to the posting of a Divisional Accountant under my Executive Engineer at Surat. He will now be the disbursing officer for the South Gujrat works. The Superintendent, Radhanagari Hydro-electric works, as well as the Electrical and Mechanical Engineer, Kolhapur, had each his own drawing account. The Accountant General has suddenly stopped these. Consequently, these two officers, who are spending large sums of money, have become my sub-divisional officers, I am in correspondence with the Accountant General to post divisional accoutants to these two officers, so that they can become again drawing and disbursing officers as they were previously under

the late Kolhapur Government- thus enabling them to proceed smoothly with the works. As you are aware, considerable construction work is going on in the North Gujarat and on Nursery Stations. Government have now sanctioned an approximately 2 crore scheme for transmission and distribution of Jog power in the south of the State. They have decided to proceed with the extension of the Chola power house, total cost of which may be about Rs. 3 crores. Active work is going on under he Executive Engineer, Koyna at Karad . His work is being hampered because he has no divisional accountant : in connection with this also, am in correspondence with the Accountant General. When Koyna work is taken up actively, the question of satisfactory accounting for a very large expenditure will have to be considered.

2. We have never been able to recruit a suitable Accounts Officer ever since the post was created. We have beena dvertising the post now for some years without success. At present , we have a retired Assistant Accounts Officer filling up the post. For much of the time, I have had an officer of the rank of Assistant Accounts Officer, who had a experience of the scope, type and magnitude, of the work which is being undertaken by the Grid Department at different places. My Accounts Section is not functioning satisfactorily and requires reorganisation. The works sanctioned by Government which are under way or will soon be, are: (1) The North Gujrat Electric Grid Scheme (2) The South Gujrat Electric Grid Scheme, (3) The Diesel Nursery Schemes. (4) The Radhanagari Hydro-Electric Works, (5) Works under the Control of the Electrical and Mechanical Engineer i., Kolhapur. (6) The Koyna Exploratory work in connection with the Koyna Hydro-Electric Project. (7) The Jog Power Transmission and Distribution Scheme and (8) The Chola Power House Extensions- The total estimated cost of these works is of the order of Rs. 1,400 lakhs.

If and when the Koyna works are taken up, very roughly an expenditure of some Rs. 5,000 lakhs will be incurred.

Sooner or later, Government will have to take up Supa (Kalinadi) Hydor-Electric Scheme, cost of which will be of the order or Rs. 1,200 lakhs.

Government have now transferred to me the control of a small power houses originally belonging to the merged States. These are scarrtered all ov er the State. The total cost of putting these power houses in shape is likely to be tens of lakhs of rupees.

3. A very adequate accounting system has to be devised for all the above works to cover not only initial construction expenditure, which rens, as noted above, into crores of rupees, but also to cover the large maintenance and operaion expenditure, as well as the collection of revenue, which , in a few year's time, may be expected to be built up to something in the region of Rs. 150 lakhs a year. This will be gross revenue to which will be charged costs of coal, diesel, oil, etc. and the operation and maintenance expensed as well as purchase price of bulk power from the Ahmedabad Electricity Company and Mysore Government, and depreciation and interest etc. This excludes the revenues and expenditure on account of schemes like Koyna or Supa.

4. For work of the above nature, it is very necessary to maintain large stores- both in Bombay as well as in the Districts. These stores must be well looked after and accounted for.

5. At present , my Accounts Section organisation- whether in quantity or quality of staff - is entirely inadequate to take care of the work. The present system and the organisation will certainly never be able to deal satisfactorily with further works., like Chola Extensions Jog power transmission and distribution , and most

certainly not Koyna. In the U.O.R. correspondence with Government on the matter of staff for accounts, it is seen that the Finance Departnet does not appreciate the magnitude of the work and hence the necessity of the number of posts asked for, for the Accounts and Store Sections. I feel that it is very necessary that Government should appoint a fairly senior and experienced Officer with experienced of commercial accounts, of an organisation, which has works, involving construction and maintenance expenditure as well as collection of revenue of a farily large magnitude going on simultaneously in a number of places. This Officer should examine our present set-up, keeping in the mind the orders of Government that Commercial system of accounts should be adopted for the Grid Department and submit a report to Government on the appropriate organisation and the type and number of staff which will be required, to give effect to his proposals- both for accounts and stores. Government could then examine his proppsals and arrive at a decision. If Government are pleased to accept this proposal, they should give him for the short time that he may require to investigate the matter and submit his report, the necessary suitable staff.

6. In making his recommendations to Government about the type of accounts and stores organisation and the system to be followed, and the quantity and quality of staff that will be necessary, he should keep in mind the fact that the whole set-up should be such that it may be added to within its framework when additional works at different places for schemes like Koyna or Tapa, etc. are taken up from time to time . In other words, any organisation that he proposes must be such that it can expand within the proposed framework so that it does not become necessary to scrap it because it was so framed that it could not be satisfactorily expended.

I shall be obliged for favourable consideration of the above proposal at a very early date.

Yours sincerely,

Sd/- P.B. Advani.

Shree G.V. Bedekar, I.C.S.,

Secretary to Government ,

Public Works Department,

Bombay.

Id.
3-6

760/48(i)/III.
~~P.B. 5946/33/12187.~~
~~40669.~~

E. B. (I). P. W. D.

Please see the A.G.'s letter No. W.M./6058, dated the 24-2-50, and the proceedings forwarded with it. The main suggestion under consideration in these papers is that the Engrs. in charge of the big post war projects should have each a Financial Adviser-cum-Accounts Officer or separate qualified Accounts Officer if the volume of work justifies it. The functions of the Accounts Officers would be to see that all the provisions of the P.W.Account Code rules are properly observed and that the accounts of the big P.W.R works are properly maintained. They are to assist the Executive Officers in the maintenance of accounts of big projects but the final responsibility of maintexining accounts is to rest with the Departmetal Executive and Adiministrative Officers. The suggestion is made with a view to reducing financial irregularities to a minimum. The F.D. is in favour of the suggestion and has referred the papers to this Department, for our remarks on the proposal vide the F.D. Dy. Secy's. note on pp. ante.

2. The major post war works entrusted to this Department for execution, their estimated cost and the actual expdre. incurred on some of them till the last financial year will be found on pages 131-132, 142-143, 160,168-173 and 176 of the Extracts from the P.W.D. Budget Estimates for the year 1950-51., item 17,19, of statement I accompanying G.C.M., P.W.D. No. P. 42, dated the 13-4-50 statements I and II

accompanying G.C.M. , P.W.D. No. P. 42, dated the 19-4-50 and para 11 and items 7-9 in para. 12 of G.C.M., P.W.D. No. P. 42, dated the 26-4-50. It may be stated that in the proper P.W.D. (ordinary Circles, Elecl. Circle, P.H. Circle) a Divisional Accountant with the necy. estab. under him is attached to each Dnl. office for maintaining the accounts of all the works in the Dns. The Electric Grid Deptt. has a Chief Accounts Officer of Gazetted status with the subordinate staff to assist him for maintenance of accounts of works in that Department, As the suggestion of appointments of Accounts Officer is made by the A.G., Bombay, it appears that he is not satisfied with the present accounting system in the case of the P.W.R. Major Works. It is for consideration whether this Deptt. should also uphold the A.G.'s suggestion. If so, it appears that for the present it is not necy. to appoint an Accounting Officer for each major P.W.R. work or for each Ex. Engr. in charge of Dn. but the beginning may be made by appointing one such officer for each Circle and he may be attached to the Circle office. If it is subsequently found that this check is inadequate then the question of appointing an Accounts Officer for individual major P.W.R. Scheme or for a Dn. may be considered.

A

3. As regards the Electric Grid Deptt. it may be stated that the Elecl. Commr. has separately suggested in his D.O. No.E. 10-C/242, dated the 11-4-50, an appointment of a senior experienced officer to examine the present accounting set up of that Deptt. and to prepare a report for the appropriate organisation for accounts and stores. The Elecl Commr.'s proposal is separately under consideration in File No. 2529/48/42.05 , In this note within the Elecl. Commr. has again recommended his previous proposal and suggested that the officer so appointed may be asked to take into account the suggestions made in these papers while preparing his report for re-organisation of the Accounts

Section of the Electric Grid Deptt. This may be accepted and the necessary action may be taken on the relevant papers refd. to at 'A' above. No specific action, is, therefore, necy. on these papers so far as the Electric Grid. Department is concerned.

4. On receipt of orders on the above proposals the papers will be returned to the F.D.

Thro' A.B.(II), C.B.(I), C.B.(II), I.B., (I), I.B.(II) and M.B. and W.B.

Id. B.R.P. 3-6-50. Id./- B.R.J. 7-6-50 Id/- F.J.A.L. 6-6-50.

Id/- G.A.N. 7-6-50. Id./- Y.R.T. 11-6-50. Id./- K.W.N. 13-6-50.

Id/- K.S.R. 14-6-50.

We may perhaps invite opinions of the S.Es. and Ex. Engrs. i/c. of the irrigation schemes mentioned on p.18 ante.

Id./-B.K. C(hoksi). 15-6-50. y. Secy.

In my opinion, A.G. will be in a better position to advise Govt., as to which of the projects in this State should have Financial Asviser-cum-Accounts Officer (or separate qualified Account's Officer, if the volume of work justifies it). Comptroller's suggestion may be accepted in principle.

Id/- K.V. J(oglekar). 15-6-50. Dy. Secy.

It may be desirable to have such Financial Advisers on large works, costing say, more than ten crores of rupees. In the Bombay P.W.D. there is no such work at present and the provision of such an officer on any work in progress in this deptt. is unnecessary. The appointment of an Accounts Officers suggested at A on p. 40 for each Circle office is also unnecessary in my view.

S. E's. need not be consulted.

Id/- N.V.S.M(urti).
22-6-50.

It is the practice in the Government of India to attach Financial Advisers to principal spending departments. These officers belong to the Finance Ministry but work in the Ministry with which they are concerned, and their association with the Ministry facilitates the control of the Finance Ministry in relation to the spending department.

What the Auditor General contemplates, is, apart from the statutory audit, an internal check through an Accounts Officer for purposes of efficient financial control, without disturbing the responsibility of the Engineer,. I think that the purpose would be better served by appointing, in the Department concerned, an officer of the Finance Department (who may be an Accounts Officer on deputation to F.D.) as Financial Adviser. This officer would not only ensure that accounts are maintained properly and in suitable form for exhibition of financial results, but would act as representation of the Financial Department, and exercise financial control, referring to the F.D. important points involving large sums or question of policy.

A beginning may be made with the Electric Grid Dept. and an officer of the status of Dy. Secy. of F.D. may be posted to it. Later on, after the financial stringency is over and the P.W.D. proper begin to spend very large sums annualy, an officer may be attached to the P.W.D Secretariat. This officer should be in charge of the 'Accounts' branches in the Grid and should examine in consultation with the F.D. and the A.G.,the question of improving the system of accounts in the Grid.

Id/- G.V. B(edekar).
23-6-50.

U. O. R. to the F.D. dated 27th June 1950.

Id/- 27-6-50.